

STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

Med-QUEST Division
P. O. Box 700190
Kapolei, Hawaii 96709-0190

March 4, 2003

Ms. Deirdre Duzor, Pharmacy Team
Department of Health and Human Services
Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard, Mailstop S2-08-07
Baltimore, Maryland 21244

Dear Ms. Duzor:

The Hawaii Department of Human Services is pleased to submit a proposal for a Pharmacy Plus Demonstration Program under Section 1115 for review and approval by the Centers for Medicare & Medicaid Services. Our proposed program will assist Hawaii in its efforts to make prescription medications more accessible and affordable to more of its residents. We are confident that our Pharmacy Plus program will provide a means to demonstrate that providing expanded access to prescription drugs will lower the overall cost of future medical care.

Enclosed for your review are the following:

- □ Pharmacy Plus application
- Copy of the legislation passed by the 2002 Hawaii State Legislature

To help facilitate your review, we have underlined the text in the application that was added to the Pharmacy Plus template to provide specific information about Hawaii's proposed program. A copy of the application will also be e-mailed to you at PharmacyPlus@cms.hhs.gov.

Our application was prepared incorporating the recommendations provided during our conference call with you and other CMS representatives on December 16, 2002. These recommendations included using the Pharmacy Plus template to apply for the demonstration program and developing a budget neutrality calculation that was applicable to the Hawaii program instead of using the Pharmacy Plus Budget Neutrality worksheet template.

Ms. Deirdre Duzor January 13, 2003 Page 2 of 2

Please contact Aileen Hiramatsu, Department of Human Services, Med-QUEST Division Administrator at 808-692-8050 or AHiramatsu@medicaid.dhs.state.hi.us with any questions. Thank you for your consideration.

Sincerely,

Patricia Murakami Acting Director

Enclosures

MQD/ADMIN/hg A. Hiramatsu/28050